



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE: **PJ-2**

June 19, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AUTHORIZE ACQUISITION OF MEDICAL EQUIPMENT
SPECS. 6550; C.P. 70787
SUPERVISORIAL DISTRICT 1
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE INTERIM DIRECTOR OF THE INTERNAL SERVICES DEPARTMENT THAT
YOUR BOARD:**

Delegate to the Internal Services Department the authority to purchase the medical equipment and related installation services, as identified in Enclosure B, within the identified equipment budget of \$96,964,000, as approved by your Board on December 3, 2002, in support of the LAC+USC Medical Center Replacement Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will authorize the procurement of the fixed medical equipment in support of the LAC+USC Medical Center Replacement Project. Fixed medical equipment, which includes approximately 263 equipment items, is integral to the building and its design. These items will be installed during construction of the building to allow the contractor to complete its work without interruption and obtain certificates of occupancy from appropriate regulatory agencies.

The fixed medical equipment is funded entirely within the budget approved by your Board on December 3, 2002. Board policy requires departments to obtain Board approval for the purchase of equipment if the unit cost of a piece of equipment exceeds \$250,000 prior to the Internal Services Department soliciting proposals or bids. We estimate that 31 pieces of medical equipment will exceed the \$250,000 unit cost limit, as identified on Enclosure B. In order to begin the purchasing process, we are requesting that your Board authorize ISD to solicit proposals and issue purchase orders for these items once the proposals are received and validated to be within the overall amount budgeted for fixed medical equipment.

We are also requesting that your Board delegate authority to the County's Purchasing Agent to issue purchase orders in which the labor cost for installation of purchased equipment exceeds \$100,000. The acquisition of services under the statutory authority of the County's Purchasing Agent is limited to \$100,000. Because of the complex, technical nature of medical equipment, in certain cases the manufacturer of the equipment will have to furnish labor in excess of \$100,000 to install the equipment. Your Board's delegation of the Board's authority to purchase services will enable the acquisition, delivery, and installation of the equipment to maintain coordination with the construction schedule.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the County's Strategic Plan Goals of Fiscal Responsibility and Children and Families Well-Being by investing in public healthcare infrastructure.

FISCAL IMPACT/FINANCING

On December 3, 2002, your Board approved a total project budget of \$820,558,000. Within this approved budget, \$96,964,000 was included for the purchase and installation of fixed medical equipment, miscellaneous telecommunications/data, and furniture. The Project Schedule and Budget Summary are included in Enclosure A.

The project is funded through Federal and State disaster aid monies (\$468,970,000), a Federal Emergency Management Agency Hazard Mitigation Grant (\$1,820,000), and various miscellaneous revenue sources (e.g., interest earnings) of approximately \$1,000,000. In addition, approximately \$17,310,000 of the project costs were paid as part of the previous 946-bed replacement facility, including \$12,250,000 in land acquisition costs, \$1,460,000 of utility relocations, and \$3,600,000 of Office of Statewide Health Planning and Development permitting fees.

The remaining \$331,460,000 of project costs will be funded through a financing program managed by the Treasurer and Tax Collector, as approved by your Board on December 3, 2002.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under a management plan for medical equipment developed by the Internal Services Department, Chief Administrative Office, Public Works, and Health Services, the four departments will work as an integrated team to procure and coordinate the installation of the fixed medical equipment, with ISD exercising your Board's delegated authority in the procurement process.

Under the management plan, Public Works will take primary responsibility to:

- Prepare the performance specifications for the equipment in cooperation with Health Services and the CAO, so that the equipment specified complies with the Board-approved medical program and is coordinated with the building construction;
- Review the proposals received to ensure conformance with the performance specifications in cooperation with Health Services; and
- Coordinate with the selected vendor to obtain shop drawings and ensure delivery of the equipment in coordination with the construction schedule.

The CAO will have the following responsibilities:

- Review the request for proposals/invitation for bids prior to ISD releasing the request for proposals/invitation for bids to provide the appropriate financing terms and conditions in the solicitation;
- Approve all purchase orders upon selection of the vendor to ensure that the purchase order is within the allocated budget; and
- Monitor and manage the overall medical equipment budget.

The Internal Services Department will be responsible for:

- Preparing the request for proposals/invitation for bids;
- Ensuring that all procurements are conducted in accordance with County policies and procedures;
- Managing the overall review of proposals and selection of the vendor; and

- Issuing the final purchase orders. Supplemental purchase orders determined to be required to resolve coordination issues between the selected vendor and the construction contractor, as requested by Public Works, will be reviewed and approved by the CAO and ISD.

Throughout the procurement process, ISD, CAO, and Public Works will provide your Board with a report on the completed purchases on a quarterly basis.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for award of agreements, the solicitations will require the vendors to attest their willingness to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment. In addition, the vendors must be in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program), Chapter 2.203 (Contractor Employee Jury Service Program), and Safely Surrendered Baby Law.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment for the project. On June 7, 2000, FEMA issued a Finding of No Significant Impact for the project and approved the EIR/EA.

CONTRACTING PROCESS

ISD, working in cooperation with CAO, Public Works, and Health Services, will solicit and purchase the required equipment in accordance with the standard County purchasing policies and procedures.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include stipulations requiring contractors and vendors to comply with specific construction/supply constraints and to coordinate their work to maintain the required level of patient care services.

The Honorable Board of Supervisors
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CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects), Internal Services Department (Purchasing Division), Health Services, and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

DAVE LAMBERTSON
Interim Director of Internal Services Department

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Enc. 2

cc: County Counsel
Department of Public Social Services (GAIN/GROW Program)
Office of Affirmative Action Compliance

June 19, 2003

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AUTHORIZE ACQUISITION OF MEDICAL EQUIPMENT
SPECS. 6550; C.P. 70787**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Actual Completion Date
Board Award Design Contract	07/98	07/98
Construction Documents	09/00	09/00
Jurisdictional Approvals	05/02	05/02
Construction Award	12/03	12/03
Construction Start	01/03	01/03
Acceptance of Project	04/07	

II. PROJECT BUDGET SUMMARY

BUDGET CATEGORY	CURRENT BOARD APPROVED BUDGET	IMPACT OF THIS ACTION	REVISED PROJECT BUDGET
Land Acquisition	\$ 12,250,000	\$ 0	\$ 12,250,000
Make Ready (Bid Package A-1)	\$ 9,800,000	\$ 0	\$ 9,800,000
Construction			
Site Preparation	\$ 11,813,750	\$ 0	\$ 11,813,750
Remaining Construction Work			
(a) Base Bid	\$497,883,000	\$ 0	\$497,883,000
(b) Base Isolator Bearings	\$ 814,626	\$ 0	\$ 814,626
(c) Contingency (7.9 percent)	<u>\$ 39,488,624</u>	<u>\$ 0</u>	<u>\$ 39,488,624</u>
Remaining Work Subtotal	\$538,186,250	\$ 0	\$538,186,250
Construction Total	\$550,000,000	\$ 0	\$550,000,000
Equipment (Medical, Telecommunications/Data, and FFE)	\$ 96,964,000	\$ 0	\$ 96,964,000
Architectural Services	\$ 49,600,000	\$ 0	\$ 49,600,000
Consultants and Vendor Services	\$ 72,498,000	\$ 0	\$ 72,498,000
Permits and Fees	\$ 9,112,000	\$ 0	\$ 9,112,000
County Services	\$ 20,334,000	\$ 0	\$ 20,334,000
TOTAL	\$820,558,000	\$ 0	\$820,558,000

June 19, 2003

ENCLOSURE B

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
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Equipment Items That Exceed \$250,000	Quantity	Unit Price*	Total Price
Robotics Laboratory Line	1	\$ 4,000,000	\$ 4,000,000
Magnetic Resonance 1.5T	2	\$ 2,000,000	\$ 4,000,000
Imaging, Angiography Suite, Bi-Plane	1	\$ 1,700,000	\$ 1,700,000
Linear Accelerator	3	\$ 1,724,000	\$ 5,172,000
Cardiac Cath Lab, Bi-Plane	1	\$ 1,530,000	\$ 1,530,000
Imaging, Comuted Tomography with C-Arm	1	\$ 1,500,000	\$ 1,500,000
Retherm System Pricing	1	\$ 1,439,000	\$ 1,439,000
Cardiac Cath Lab, Mono Plane	1	\$ 1,230,000	\$ 1,230,000
Simulator, CT	1	\$ 1,200,000	\$ 1,200,000
Imaging, Computed Tomography Scanner	4	\$ 1,100,000	\$ 4,400,000
Imaging, Angiography Suite, Single-Plane	2	\$ 1,000,000	\$ 2,000,000
Automated Robotic Pharmacy, Outpatient	1	\$ 1,000,000	\$ 1,000,000
Magnetic Resonance Imaging, Open Architecture	1	\$ 950,000	\$ 950,000
Imaging, Electrophysiology Lab	1	\$ 900,000	\$ 900,000
Lithotripter	1	\$ 800,000	\$ 800,000
Automated Robotic Pharmacy System, Inpatient	1	\$ 650,000	\$ 650,000
Simulator, Radiation Tomo	1	\$ 618,000	\$ 618,000
Radiographic / Fluoroscopic, Special	1	\$ 600,000	\$ 600,000
Camera, Gamma, Three Head	2	\$ 600,000	\$ 1,200,000
Angiography Imaging System, Operating Room	1	\$ 500,000	\$ 500,000
Camera, Gamma, Two Head	4	\$ 500,000	\$ 2,000,000
Radiographic System, General	15	\$ 500,000	\$ 7,500,000
Radiographic Tomographic System	1	\$ 400,000	\$ 400,000
Imaging, Chest X-Ray System, Integrated	4	\$ 391,000	\$ 1,564,000
Camera, Gamma, Single Head	2	\$ 373,000	\$ 746,000
Radiographic/Fluoroscopic	7	\$ 351,000	\$ 2,457,000
Imaging, Radiographic/Fluoroscopic, Bronchoscopic	2	\$ 350,000	\$ 700,000
Cystoscopy Suite, Digital	1	\$ 350,000	\$ 350,000
Brachytherapy Suite, High Dose Rate	1	\$ 330,000	\$ 330,000
Radiographic/Fluoroscopic System	1	\$ 301,000	\$ 301,000
Mammography System, Stereotactic	1	\$ 252,000	\$ 252,000
TOTAL			\$51,989,000

* The price is net price excluding tax, freight, insurance, and contingencies. Installation, training, warranties, and start-up cost are included.